

Apollo Asset Management Company
UNIT TRUST - Information Memorandum

Apollo Asset Management Unit Trusts

Information Memorandum

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DEFINITIONS:

Unless otherwise stated, words defined in the Act and this information memorandum bear the meanings therein assigned to them, and unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine, and words signifying the singular number shall include the plural and vice versa.

In this Information memorandum, unless inconsistent with the context, the following expressions shall have the following meanings:

"Accounting period" All APOLLO ASSET MANAGEMENT Unit Trusts shall have an annual accounting period ending the last day of December in each year; but the Fund Manager, shall publish and submit to the Authority an interim report for the half-year period ending on the last day of June in each year.

"Business day." Excludes Saturday, Sunday and public holidays.

"Capital gains" means and includes all securities, rights and other benefits in the nature of capital accruals received or to be received by or on behalf of the APOLLO ASSET MANAGEMENT Unit Trust scheme by reason of the holding of the underlying securities on behalf of the unit-holders, whether received in cash or securities or by warrant, cheque.

"Certificate" or "certificates" of entitlement means a certificate issued pursuant to the provisions of this information memorandum which serves as evidence of the title of the possessor thereof to the units referred to therein and properly acquire by him in the APOLLO ASSET MANAGEMENT Unit Trust.

"Custodian" means a company approved by the Authority to hold in custody funds, securities, financial instruments or documents of title to assets of the APOLLO ASSET MANAGEMENT fund.

"Dealing" means an act of buying, selling or agreeing to buy or sell or trade units by the Fund Manager.

"Dilution" means that APOLLO ASSET MANAGEMENT Unit Trust may suffer reduction in the value of its portfolio as a result of costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments.

"Dilution levy" means a charge incurred as a result of APOLLO ASSET MANAGEMENT Unit Trusts suffering a reduction in the value of its portfolio as a result of costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments.

"Distribution date" means the day that accrued income is credited to the scheme's unit holders.

"Income accruals" for an accounting period means any dividend, interest, or other income for distribution received by or accrued to the APOLLO ASSET MANAGEMENT Unit Trust, the custodian, or the Fund Manager, on behalf of the unit holders for that accounting period together with any amounts carried forward from any previous accounting period as not having been distributed.

"Made-up price" of a unit means the Net asset Value price described in the Trust deed, plus the initial charges.

"Management fee" means the periodical charge deductible from income accruals and payments in lieu of income accruals to remunerate the Fund Manager for managing the

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APOLLO ASSET MANAGEMENT Unit Trust, expressed as a percentage of the average month-end market value of the total assets comprising the APOLLO ASSET MANAGEMENT Unit Trust during the accounting period for which the charge is levied.

"Portfolio" means a group of securities in which members of the public are invited to acquire units pursuant to the collective investment scheme and includes any amount in cash forming part of the assets pertaining to such portfolio (herein also known as the fund.)

"Recognized stock/securities exchange" means any stock/Securities exchange in or outside Kenya approved by the Fund Manager and the Trustee and subject to the Act.

"Register" means the register of unit holders.

"Securities" means:-

- Debentures or bonds issued or proposed to be issued by a government;
- Debentures, shares, bonds, commercial paper, or notes issued or proposed to be issued by a body corporate;
- Any right, warrant, option or future in respect of any debenture, shares, bonds, notes or in respect of commodities;
- Any unit, interest or share offered under a collective investment scheme; or
- Any instruments commonly known as securities but does not include -
 - (i) Bills of exchange;
 - (ii) Promissory notes; or
 - (iii) Certificates of deposits issued by a bank or financial institution licensed under the Banking Act;

"Shillings" means the currency of the Republic of Kenya.

"APOLLO ASSET MANAGEMENT Balanced Fund" is an investment scheme investing principally in equity and interest bearing assets, and the ratio of investments i.e. money market/equities is to vary at any one time depending on the manager's assessment of economic and market factors; pursuant to a trust deed establishing the APOLLO ASSET MANAGEMENT Balanced Fund or other incorporation or offering document of the APOLLO ASSET MANAGEMENT Balanced Fund, and the Act.

"APOLLO ASSET MANAGEMENT Money Market Fund" means an investment scheme principally investing in all cash and other money market instruments for the time being held or deemed to be held upon trust pursuant to a trust deed establishing the APOLLO ASSET MANAGEMENT Money Market Fund or other incorporation or offering document of the APOLLO ASSET MANAGEMENT Money Market Fund.

"APOLLO ASSET MANAGEMENT Equity Fund" means an investment scheme principally investing in all cash, debt securities and equity securities for the time being held or deemed to be held upon trust pursuant to a trust deed establishing the APOLLO ASSET MANAGEMENT Equity Fund or other incorporation or offering document of the APOLLO ASSET MANAGEMENT Equity Fund.

"APOLLO ASSET MANAGEMENT Fixed Income Fund" is an investment scheme investing principally in interest bearing assets, e.g. treasuries, corporate and municipal bonds, commercial paper; pursuant to a trust deed establishing the APOLLO ASSET MANAGEMENT

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Fixed Income Fund or other incorporation or offering document of the APOLLO ASSET MANAGEMENT Fixed Income Fund, and the Act.

"APOLLO ASSET MANAGEMENT Unit Trust" is an umbrella fund comprising four sub-funds, namely, the APOLLO ASSET MANAGEMENT Money Market Fund, APOLLO ASSET MANAGEMENT Balanced Fund, APOLLO ASSET MANAGEMENT Fixed Income Fund and APOLLO ASSET MANAGEMENT Equity Fund.

"The Act" The Act refers to the Capital Markets Act and any Regulations issued there under.

"The Auditors" means a person or firm qualified for appointment as auditor of a public company in Kenya and appointed by the Fund Manager as its auditor and as auditor of the Trust, subject to the provisions of the Act. A person shall not be qualified for appointment as auditor unless he is a member of and holds a valid practicing certificate issued by the Institute of Certified Public Accountants of Kenya.

"The Authority" means the Capital Markets Authority

"Trust Deed" Or "Deed" means the trust deed and any other deeds supplemental thereto in relation to the APOLLO ASSET MANAGEMENT Unit Trust, means the trust deed that sets out the trusts governing the unit trust and includes every instrument that varies those trusts or affects the powers, duties or functions of the Trustee or manager of the unit trust.

"Trustee" In relation to the Fund, means a Trustee in which are invested the money, investments, or other unit trust funds portfolio that are for the time being subject to the trusts governing the Fund.

The Trustee of the APOLLO ASSET MANAGEMENT Unit Trust funds is Kenya Commercial Bank Limited.

"Underlying securities", in relation to a unit portfolio, means the securities comprised in or constituting the unit portfolio concerned and includes any cash or claims derived or resulting from the conduct of the unit portfolio which are held by or due to the APOLLO ASSET MANAGEMENT Unit Trust, the Fund Manager or the Trustee for the benefit of the unit holders in that unit portfolio.

"Unit" means one undivided unit in the unit trust portfolio of the APOLLO ASSET MANAGEMENT Unit trust funds.

"Unit portfolio" means the underlying securities in which persons are invited or permitted by the Fund Manager to acquire units pursuant to the APOLLO ASSET MANAGEMENT Unit Trust including any cash and/or claims forming part or deemed to form part of the assets pertaining to the APOLLO ASSET MANAGEMENT Unit Trust scheme but after deduction of any liability pertaining or deemed to pertain to such unit portfolio.

"Unit holder" means any person (other than the Fund Manager) who has purchased units and is a holder of units in the APOLLO ASSET MANAGEMENT Unit Trust and is registered in the register of unit holders evidencing that he has an interest in the fund.

"Unit Trust Funds" means any scheme or arrangement in the nature of a trust in pursuance of which persons are invited or permitted, as beneficiaries under the trust, to acquire an interest or undivided unit in one or more unit portfolios and to participate proportionately in the income or profits derived there from herein referred to as the 'APOLLO ASSET MANAGEMENT Unit Trust scheme'

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"Units in issue" means all units which have been created and which have been entered in the registers including those held or deemed to be held by the Fund Manager, and which have not been cancelled.

1. VALIDITY, REVIEW, AND REVISION

The Information Memorandum will be valid for a period of one year from the date of release. This will be reviewed and revised at least twice in a year or earlier where the need arises, to take into account any change or new matter, other than a matter which reasonably appears to the Fund Manager to be insignificant. A revision of the information memorandum may take the form of a complete substitution of the previous memorandum, or a supplement to the information memorandum. The date of the change shall be prominently displayed.

2. DISCLAIMER

In terms of Part IV of the Capital Markets Authority Collective Investment Schemes Regulations, 2001 "Permission has been granted by the Capital Markets Authority ("the Authority") to offer to the public the securities which are the subject of this issue. As a matter of policy, the Authority assumes no responsibility for the correctness of any statements or opinions made or reports contained in this information memorandum." Approval by the Authority is not to be taken as an indication of the merits of the "APOLLO ASSET MANAGEMENT Unit Trust Funds".

3. THE UMBRELLA SCHEME

The name of the umbrella scheme is APOLLO ASSET MANAGEMENT Unit Trust Funds.

The duration of the umbrella scheme and the sub funds there under are unlimited subject to the Perpetuities and Accumulations Act (Chapter 161 Laws of Kenya).

The minimum size of the umbrella fund capital is Kshs. 10 million. The provisions of regulation 41 of the Capital Markets (Collective Investment Schemes) Regulations, 2001 shall apply.

Address of Head office:

Apollo Asset Management Company Limited
Apollo Centre Ring Road Parklands, Westlands
P.O. Box 30389, 00100, Nairobi, Kenya.

The base currency for the Fund is in Kenya Shillings.

Date of approval: 2015

The holders are not liable for the debts of the APOLLO ASSET MANAGEMENT Unit Trust

Investment Objectives and Policy

The objective of the APOLLO ASSET MANAGEMENT Unit Trust is to seek the highest possible capital growth as well as capital preservation from a pool of funds from investors. The Fund Manager seeks to achieve this objective through investment in a diversified Portfolio of securities, fixed deposits and cash in the Kenyan market and offshore.

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The overall goal of the APOLLO ASSET MANAGEMENT Unit Trust Scheme is to remain fully invested at all times. However, due to redemption requirements, day-to-day cash inflow from purchases and in order to take advantage of changing investment environment, the Scheme will maintain a reasonable portion of total value in cash form. As much as possible, such cash will be put on call so as to earn some return but it is likely that in some instances, cash that is not earning any form of return will be maintained in the accounts.

The general policy of APOLLO ASSET MANAGEMENT Unit Trust shall be to:

- Diversify the Portfolio of investments to minimize the risk.
- Select investment after a thorough research on the financial strength of the issuing firm.
- Invest in both short term and long-term instruments for maximum returns while managing maturity profile of the Portfolio to ensure adequate liquidity. Provide adequate information to investors on the performance of their investment.

4. ELIGIBILITY

To be eligible to invest in the APOLLO ASSET MANAGEMENT Unit Trust, the Unit holder:

- Must be aged above 18 years. However for parents, who would like to open unit trusts accounts for minors can do so under their name, until the beneficiary comes of age.
- Must not be resident in any jurisdiction where such an investment would be unlawful.
- Shall satisfy any tax regulations or other relevant legislation where applicable.
- May be an individual, SME, investment group or an institution.

If units are to be held in joint names, all investors must conform to the above requirements for eligibility.

5. VALUATION AND DISTRIBUTION OF INCOME

a. Financial Year

The financial year will end on the 31st December of each year. The year will be divided into two accounting periods, ending on 30th June, and 31st December.

b. Determination and distribution of income

Income for distribution shall be determined by:

- Taking the aggregate of the income of the portfolio received or receivable for the account of the Fund in respect of the period.
- Deducting charges and expenses paid or payable out of the income of the portfolio in respect of the period.
- Adding the Fund Manager's best estimate of any relief from tax on such charges and expenses.
- Making appropriate adjustments in relation to:
 - Taxation
 - Proportion of the price received or paid for units that are related to income
 - Potential income which is unlikely to be received until twelve months after the income allocation date
 - Income which should not be accounted for on an accrual basis
 - Any transfer between income and capital account

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- Recommendations of the external auditors

c. Distribution Policy

Tax on interest will be withheld and the net interest will be distributed by the Trustee. Details of the distribution arising from interest will be shown on monthly statements sent to the unit holders. All income may be distributed to the unit holders after provision for expenses as detailed above.

d. Allocation of Income

Upon each Distribution Date depending on the fund, the Trustee shall arrange for the custodian to transfer the income net of expenses of the fund to an account to be known as 'the distribution account'.

Distribution date refers to the day that accrued income is credited to the Fund's unit holders. Income will be distributed to unit holders on the last day of every month and shall be paid within 14 days.

Any income that is not transferred to the distribution account must be carried forward to the next accounting period and will be regarded as received at the start of the next period.

e. Payout of Income Distributions

A unit holder may request to have distributions paid out to designated bank accounts as opposed to being automatically reinvested. This request should be made in writing.

Please note:

The distribution amount should have accrued to more than Kshs. 1000.00 as this is the set minimum payout threshold.

6. BORROWING AND LENDING

The Fund Manager shall not lend all or any part of the umbrella scheme portfolio or assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person in relation to the umbrella scheme portfolio.

7. THE FUND MANAGER

- *Name:* Apollo Asset Management Company Limited
- *The date of license with the Authority to operate as fund manager:* 29th May 2009
- *Nature of corporate form:* APOLLO ASSET MANAGEMENT is a company limited by shares
- *Date of incorporation:* 18th March 2004 (Incorporation number C108747), with issued and fully paid up share capital of KES 15 million.
- *Address of registered office:* APOLLO ASSET MANAGEMENT, Apollo Centre Ring Road Parklands, Westlands, P O Box 30389, 00100 Nairobi
- *Holding Company:* Apollo Investments Limited
- *Place of Incorporation of Holding Company:* Nairobi, Kenya
- *Directors*

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Name	Title	Nationality	Permanent Address	Main Business Activity	Manner of remuneration
Rick Ashley	Chairman	British	P.O. Box 57 00502 Nairobi	Consultant	Fixed Sitting allowance of Kes 48,000/-per sitting
Daniel Ndonye	Director	Kenyan	P.O. Box 30389 00100 Nairobi	Retired Auditor	Fixed sitting allowance of Kes 48,000/- per sitting
Ashok K.M. Shah	Director	British	P.O. Box 41751 00100 Nairobi	Insurance Executive	N/A

The parent company of APOLLO ASSET MANAGEMENT Asset Management was incorporated in 7th November 1997 (license number C.16815) The Apollo Insurance Company Limited

The fund manager does not act as the fund manager in another approved collective investment scheme as at the date of this document.

The Fund Manager shall be entitled to make a periodic charge payable out of the income of a Unit Portfolio which shall be expressed as an annual percentage of the value of the Unit Portfolio as may be specified in the Information Memorandum (but not exceeding a maximum of up to 10% of the value of the Unit Portfolio) and is herein known as the Management Fee.

The Management Fee (up to 10% of the value of Scheme portfolio) by the Fund Manager shall be payable to the Fund Manager and shall be an annual fee and the same shall be disclosed in the financial reports of the collective investment scheme. Any intention to propose an increase in the maximum amount shall be notified to shareholders at a meeting of holders.

The Management Fee applied in respect of the Scheme shall be proportionate to the length of the relevant Accounting Period and shall be calculated at such percentage fixed by the Fund Manager (as specified in the Information Memorandum) on the average month-end market value of the total investments of the Unit Portfolio.

Material provisions of the Fund Manager's obligations and duties pertaining to the APOLLO ASSET MANAGEMENT Unit Trust Funds:

The Fund Manager shall: -

- ❖ Carry out the management and administration of the Fund in accordance with the direction and authority of the Trustee and the provisions of the incorporation documents which include the rules of the unit trust scheme.
- ❖ Be responsible for investing and re-investing the assets of the fund, and carrying out prudent investment policies consistent with the fund's investment objectives.
- ❖ Be entitled by way of remuneration for its services and to cover expenses and fees in performing its obligations including obligations to pay the remuneration to the Trustee and the Trustee's disbursements and the auditor's fees and expenses excluding expenses incurred by the Fund Manager or the Trustee for the purpose of enabling the fund to conform to legislation passed.

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- ❖ Provide the Trustee, and the Authority, quarterly, from the date of its appointment a report of the performance of the portfolio including a summary valuation, market commentary and a general outlook.
- ❖ Rectify any breach of matters arising from incorrect pricing of units, or to the late payment in respect of the issue or redemption of units. Rectification shall extend to the reimbursement or payment or arranging the reimbursement or payment of money to the unit holders or former unit holders by the Fund Manager to the Fund, or by the Fund to the Fund Manager; unless directed otherwise by the Trustee.
- ❖ Issue an account statement on a monthly basis, specifying any units held by the unit holder and showing the transactions in the unit holder's account during the preceding month and which shall be prima facie evidence of the title of the unit holder to the units.
- ❖ Once every year provide the unit holders and the Authority with audited accounts and such other statements as may be necessary in relation to the operations of the fund during the period which ended not more than three months before the date on which such accounts or statements are submitted.
- ❖ Carry out liaisons with the Custodian and the Trustee of the Fund in accordance with the Act

8. REMOVAL OF THE FUND MANAGER

The Fund Manager may resign and/or be removed as provided for in the Trust Deed.

9. LIABILITY OF A FUND MANAGER

The Fund Manager shall not:

- The Fund Manager shall not incur any liability by reason of any matter or thing done or suffered or omitted by it in good faith under the provisions of the, incorporation documents, which include rules of the Unit trust scheme set out in the Act.
- The Fund Manager shall not be liable for any loss, damage or market fluctuations in interest rates and stock prices which affects the value of the portfolio of fund or of any investment comprised therein unless in the case of loss and damage in the value of the Fund portfolio arises from negligence, willful default or fraud by the Fund Manager or any of its agents, employees or associates.

10. THE TRUSTEE

**KENYA COMMERCIAL BANK LIMITED,
HEAD OFFICE, KENCOM HOUSE, MOI AVENUE,
P. O. BOX 48400, NAIROBI**

Principal business activity: Bank

Date of incorporation: 12th November 1970 (Nairobi)

- **Principal duties of the Trustee**

Trustee shall ensure that the Fund is managed in accordance with the service agreement with the Fund Manager.

The Trustee shall issue a report to be included in the annual report on the fund on whether in the Custodian's opinion; the Fund Manager has in all material respects managed the Fund in accordance with the Capital Markets Act and the rules and regulations of the Fund.

The Trustee shall also ensure that the Fund Manager keeps proper books of account in respect of the fund.

The Trustee will ensure that the Custodian takes into custody the entire fund Portfolio, documents of title, and cash and shall also execute all documents that are necessary to secure acquisitions or disposals properly made by the Fund Manager in accordance with the trust deed and the Capital Markets Act.

11. THE CUSTODIAN

**The Co-operative Bank of Kenya, Custodial Services,
The Co-operative Bank of Kenya Limited
P.O Box 67881 – 00100, Nairobi**

Principal business activity: Bank

Date of incorporation: 11th July, 2008. The Bank was initially registered under the Co-operative Societies Act at the point of founding in 1965

Material provisions of the contract between the Fund and the Custodian

The Custodial shall:

Render and maintain custody of the Fund and hold it to the order of the Trustee or Fund Manager in accordance to the Act, incorporation documents and the rules of the unit trust scheme.

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Receive and keep in safe custody title documents, securities, and cash amounts of the Fund.

Open an account in the name of the fund for the exclusive benefit of unit holders of the fund. The portfolio held by the Custodian shall be subject only to instructions of the Fund Manager and or the Trustee as the case may be, and any securities entrusted by the Custodian to any securities depository shall be subject only to instructions of the Custodian.

Transfer, exchange or deliver in the required form and manner securities held by the Custodian upon receipt of instructions from the Fund Manager or the Trustee as the case may be.

Promptly deliver to the Fund Manager or Trustee as the case may be or any persons authorized by the Trustee or the Fund Manager, copies of all notices, proxies, proxy soliciting materials, all public information, financial reports and stockbroker communications the custodian may receive from the issuers of securities or in relation to the securities held in the fund's portfolio.

Exercise the same standard of care that it exercises over its own assets in holding, maintaining, servicing and disposing of securities in the Fund portfolio and in fulfilling obligations in the service level agreement between the Fund Manager and the Trustee as the case may be and the Custodian.

Attend general meetings of the unit holders and be heard at any general meeting on matters, which concern it as custodian.

Not contract its duties to an agent except where a portion of the Fund portfolio is invested in offshore investment.

Be entitled to a fee in respect of custodial services, which shall be disclosed to the unit holders in the annual report each year.

Maintain records of all transactions in the fund and shall include every transaction carried out by the custodian on behalf of the Fund.

12. THE AUDITOR

Price Waterhouse Coopers
Certified Public Accountants (Kenya)
P O Box 443963 - 00100
Nairobi

The external auditor shall examine the books of account and give an annual report as to whether proper books of account have been kept and whether in his opinion the accounts show a true and fair view of the Fund's statement of affairs and the profit or loss for year ended.

The Auditor shall be entitled to remuneration for his services and such remuneration shall be mutually agreed with the Fund Manager annually. Payments for such remuneration shall be made by the Fund Manager.

13. REGISTER OF UNIT HOLDERS

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The register of unit holders will be kept at the Fund Manager's head office and can be inspected by unit holders at all times.

14. MEETINGS OF UNIT HOLDERS

Unit holders will receive Notice to attend the meetings no less than twenty (21) days written notice, inclusive of the date on which the notice is deemed to be served and the day of the meeting.

The quorum of the meeting shall consist of twenty five (25) unit holders of the fund inclusive of proxies received.

Meetings of the unit holders - may be convened by the Trustee or the Fund Manger at any time. The request shall state the objects of the meeting and the resolution or resolutions to be proposed at such meeting and shall be signed by the unit holders and deposited with the Trustee.

A meeting of the unit holders shall be convened for the following purposes among others:

- To approve any change of the investment policy or objectives of the scheme proposed by the Fund Manager with the consent of the Trustee;
- To approve any change of the class of scheme as registered;
- To authorize any modification or addition to the trust deed proposed by the Fund Manager with the consent of the Trustee;
- To approve any increase in the periodic charge due to the Fund Manager;
- To remove the Fund Manager;
- To approve a scheme of amalgamation of funds proposed by the Fund Manager with the consent of the Trustee;
- The accidental omission to give notice of a meeting or the non-receipt of notice of a meeting by any unit holder entitled to receive notice shall not invalidate the proceedings at that meeting.
- No business shall be transacted at any meeting unless a quorum of unit holders is present at the time when the meeting proceeds to business.
- If within half an hour from the time appointed for the meeting a quorum is not present the meeting, **if convened on the requisition of unit holders**, shall be dissolved and in any other case it shall stand adjourned to such day and time not being less than seven days thereafter and to such place as may be appointed by the chairman if any has been appointed pursuant to the incorporation documents or otherwise by the Trustee or Fund Manager, as the case may, be and if at such adjourned meeting

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a quorum is not present within fifteen minutes from the time appointed for the meeting, the unit holders present shall comprise the quorum.

- The Chairman presiding at the meeting shall be appointed by the Trustee but if at any meeting he is not appointed or is unwilling to act, the unit holders present shall choose one of their numbers to be Chairman of the meeting.
- At any meeting any resolution put to the vote of the meeting shall unless required by law be a simple majority as provided in the trust deed.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his Attorney duly authorized in writing, or, if the appointer is a corporation, under the hand of an officer or attorney duly authorized. A proxy need not be a unit holder.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or notarized a certified copy of that power or authority shall be deposited at the office of the Trustee or Fund Manager or at such other places within Kenya as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- An instrument appointing a proxy shall be in the usual common form or such form as may be submitted with the notice convening the meeting.
- The Trustee shall keep minutes of every meeting in a minute book.

15. VOTING

At any meeting a resolution put to the vote shall be decided on a show of hands unless a secret ballot is, before or on the declaration of the result of the show of hands, demanded by the Trustee or by unit holders not less than one tenth of the units in issue present in person or by proxy.

- Votes may be given either personally or by proxy¹ or in any other manner permitted by the incorporation document and the voting rights attached to each shall be such proportion of the voting rights attached to all of the units in issue as the price of the unit bears to the aggregate price or prices of all the units in issue as of that date. A unit holder entitled to more than one vote need not if he votes, use all his votes or cast all his votes in the same way.
- In the case of joint unit holders of a unit the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint unit holders and for this purpose seniority shall be determined by the order in which the names stand in the register of unit holders.

¹ Proxy-a unit holder entitled to attend and vote at a meeting of the Unit trust scheme and is entitled to appoint another person to attend and vote in his place whether such other person is a unit holder or not.

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- Every notice calling a meeting of the unit holders in the Fund shall contain a reasonably prominent statement that a unit holder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him.
- A document necessary to show the validity and appointment of a proxy shall not be required to be received by the Fund or any other person more than forty eight (48) hours before the meeting or adjourned meeting in order that the appointment may be effective.

16. PAYMENTS TO THE FUND MANAGER

❖ **Management Fee**

The Fund Manager shall be entitled by way of remuneration for its services and to cover expenses and fees in performing its obligations as Fund Manager including obligations to pay the remuneration to the Trustee and the Trustee's disbursements, custodial fees and the auditor's fees and expenses excluding expenses incurred by the Fund Manager or the Trustee for the purpose of enabling the Fund to conform to the applicable laws. All or part of the remuneration will be treated as a capital charge. The investment objectives of the collective investment scheme is to treat the generation of income as a higher priority than capital growth or as the case may be, to place equal emphasis on the generation of income and on capital growth and that (in either case) this may accordingly constrain capital growth;

The Fund Manager will charge a management fee for the professional portfolio management of the fund (up to a maximum of 5% of the funds under management) and to cater for transaction and administration costs incurred.

The management fee applying in respect of the APOLLO ASSET MANAGEMENT Unit Trust funds shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average month-end market value of the total investments of the fund.

To introduce a new charge or to propose a change in the maximum rate, amount or method, the fund manager would provide a ninety (90) day notice in writing (or such shorter period as required by the Authority) to unit holders of the Fund Manager's intention, after obtaining approval from the Trustee and the Authority.

❖ **Service Charge**

A monthly payment to the Fund Manager shall be made in the form of a service charge, and shall be fixed by the Fund Manager and shall be calculated at a daily rate not exceeding 2% per annum, for the Equity Fund, Balanced Fund and the Kenya Fixed Income Fund, and not exceeding 1% for the Money Market Fund, inclusive of accrued interest. The payments made to the Fund Manager in the form of either charge, are charged exclusive of VAT or any other indirect taxes, which shall be for the account of the unit holder. The Fund Manager reserves the right to waive or rebate any or any portion of, the payments made to the Fund Manager at its discretion. In the event of an increase in either the initial or service charge, holders will be advised in writing not less than ninety (90) days in advance of the implementation of the change.

❖ **Movable and Immovable Property**

The Scheme shall not incur any expenses relating to property (movable and immovable) required running the Scheme. Such expenses shall be the responsibility of the sponsor and

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Fund Manager and are included in the payment to the Fund Manager that was discussed in the above sections.

❖ **Preliminary Charge**

The Fund Manager shall apply an initial charge in respect to the APOLLO ASSET MANAGEMENT UNIT TRUSTS (not exceeding a maximum of 5% of the funds under management).

❖ **Redemption Charge**

The amount payable as proceeds of redemption may be arrived at after deduction of a charge (not exceeding a maximum of 5%) for the benefit of the fund management and the charge will be expressed as a percentage of the proceeds of redemption. The amount will be expressed as diminishing over the time during which the unit holder has held the units.

At the discretion of the Fund Manager, a redemption fee may be charged up to an amount of 0.50% of the value of the redemption amount.

If the amount of the charges changes, then details of any previous amount, the rate or method may be obtained from the Fund Manager on request.

A maximum of ninety (90) day notice (or such shorter period as required by the Authority) in writing after obtaining approval from the Trustee and the Authority would also be given to unit holders of the Fund Manager's intention, to introduce a new charge or to propose a change in the rate, amount or method.

When any of the Fund Manager's charges are modified, the modification shall be expressed so as to apply only to units issued only after the date on which the modification takes place.

❖ **Withdrawal Frequency Fee**

This is a standard charge of Kshs 500 applied to all unit holders who withdraw from their holding in the Fund more than once a month from their unit trust account. All unit holders are allowed one free withdrawal a month before being subject to fees.

❖ **Transfer Frequency Fee**

This is the transfer of ownership from one unit holder to another. Transfers occur within the same fund. The instruction must be submitted in writing (fill out Transfer form), subject to a standard charge of Kshs 2500.

❖ **Stamp Duty**

This fee is payable for all unit holders requesting the issue of a certificate.

❖ **Certificate Issue Charge**

All unit holders requesting the issue of a certificate for the purposes of securing a loan would be subject to a fee of Kshs 500. This is to cover the costs, time and effort borne by APOLLO ASSET MANAGEMENT Asset Management to generate this certificate.

❖ **Certificate Loss / Defacing Charge**

Any unit holder who loses or defaces their certificate thus requiring a replacement will be charged a stiff penalty reissue charge of Kshs 2500. The unit holder will be responsible for all expenses spent by APOLLO ASSET MANAGEMENT Asset Management Ltd in effort to recover or replace a certificate.

❖ **General Adjustment Sale**

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This transaction is a result of an error either made by the unit holder, their broker / agent or fund manager. On completion of this form, the Fund Manager will rectify the error on the unit holder's account. This instruction must be submitted in writing (fill out Adjustment form). This will be charged against the unit holder's account if an incorrect instruction was given to Fund manager and the instruction processed. If the adjustment / rectification of this mistake resulted in a loss, the unit holder would be debited the equivalent sum of this loss.

❖ **Postage/Statement Printing**

This is a standard charge of Kshs 100 that will be charged to all clients who request to have a printout of their statements on an ad hoc basis or request to receive their statement by post on a monthly basis. All of the above can be emailed to the clients free of charge. Statements will be dispatched monthly to all Unit Holders.

❖ **Bounced Cheque Fee**

This is charged against accounts that have issued cheques that bounce. The processing fee applied by the bank will be debited from the clients unit trust account.

17. OTHER PAYMENTS OUT OF THE FUND

The Fund Manager shall be entitled by way of remuneration for its services and to cover expenses and fees in performing its obligations including obligations to pay the:

- Trustee,
- Custodian,
- Auditors
- Agent / Broker

In the event that any liabilities of a particular Sub –fund cannot be met out of the assets attributable to such sub-fund, the excess liabilities shall be met out of the assets attributable to the other sub funds.

18. DEALING

- The Fund Manager will act as principal in the trading of units. As a result it must act as market maker for its units inclusive of meeting demand from investors by creating units. It would therefore create and cancel units within the scope of the Act and its obligations to unit holders.
- The Fund Manager is also obliged to act in the best interests of its investors and this would imply, with regard to the creation and cancellation of units, that it applies a consistent basis in the creation and cancellation of units, and with the exception of the recognition that a daily pricing window is required to facilitate the creation and liquidation of units.

The Fund Manager may, with the agreement of the Trustee suspend, issue, cancel, sell and redeem units, if they are of the opinion that due to exceptional circumstances, there is a good and sufficient reason to do so having regard to the interests of unit holders. The Fund Manager shall however comply with the Act and Trust Deed on suspension and resumption of dealings.

- The close –off time for dealing will be 3.00pm.

19. SUSPENSION IN DEALING IN UNITS

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- Suspension in dealings may occur only in exceptional circumstances while at all times the Fund Manager shall have regard to the interest of all the holders;
- The Fund Manager shall immediately notify the Authority if dealing has been suspended and the fact of the suspension shall be published immediately following such decision and at least once every week during the period of suspension, in the newspaper in which the Fund's prices are normally published.

20. BUYING OF UNITS

- The Units are offered on a continuous basis and may be purchased directly from APOLLO ASSET MANAGEMENT Asset Management. Units may be purchased on any business day by completing the account application form and submitting it APOLLO ASSET MANAGEMENT Asset Management.
- When purchasing Units, investors must specify the type of Fund by selecting the correct Fund on the application form.
- The offering price of Units is based upon the calculation at the end of the business day immediately preceding the business day on which the written request to buy and create Units is received by the Fund Manager and the Trustee respectively.
- A transaction will be concluded when an application form is presented to and accepted by the Fund Manager before noon on a business day and provided that where payment is by cheque, bank debit order or direct deposit and the fund bank account is credited, the investor will receive value when the funds are cleared and captured.
- No unit-holder shall have more than twelve and a half percent holding in the fund at any one time. The minimum amount by holder shall be Kshs 10,000.

The conversion of units from one fund type to another fund type will be regarded as a switch, and a client may be liable to pay a switching fee. A switch will be effected at the client's request clearly stating what fund they intend to be switching into. The fee applicable shall be the preliminary charge differential if any between the fund types. Unit holders are expected to maintain the fund minimum of Kshs 10,000 when switching onto a new fund.

- A unit holder may do an additional purchase of units into an existing account. The additional purchase will be up to a minimum of Kshs. 2,000.00.

21. CERTIFICATES AND STATEMENTS

- **Certificates**

The Fund Manager shall issue a monthly statement to a unit-holder, which shall act as evidence that the title to units held.

The Fund Manager is required to issue certificates representing units to holders, whose names are entered on the registers.

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The Fund Manager will issue a certificate within seven (7) days from the date of receipt of an application by a unit holder

The Trustee is authorized to charge a fee for issuing any document, recording, or for amending an entry on the register, otherwise then on the issue or sale of units.

A charge of Kshs. 500 for the issue and stamp duty payable to the certificate will be debited from the unit holder's account and the account will be restricted preventing any sales, switches and transfers occurring against it.

The charge to replace a defaced certificate will be Ksh 2, 500. In the case of a lost certificate the unit holder will be also be liable for the costs of advertisement and gazettelement.

The unit holder is allowed to cede eighty percent of the total units held with APOLLO ASSET MANAGEMENT. This is to guard against the unit value rising / falling due to the daily fluctuations in price.

The Fund Manager will replace any certificates that have either been lost or defaced provided that the unit holder produces identification documents, a signed affidavit and police abstract. This will effectively nullify the originally issued certificate.

Authorized personnel of both the Fund Manager and the Trustee will sign each certificate issued.

- **Statements**

The fund manager will send monthly statements to all unit holders. The statements will act as evidence of entitlement for the unit holder

All account holders will receive a monthly statement by email.

Clients may request for their statements to be sent via post at their expense.

The Statement issued will have the following details:-

- Unit trust account market value as of that specific date;
- All transaction details that occurred in that month;
- Description of fees that were charged against the account during the month; and
- Distribution amount for clients who reinvest their units;

Statements may also be accessed online upon a client's registration for this value added service at no cost.

- **Switching between funds**

A unit-holder is entitled to exchange units in one sub-fund for units in any other sub-fund. The switching of units in one sub –fund for units in any other sub-fund will be treated as a redemption and a purchase and will be subject to taxation on capital gains or withholding tax as the case may be.

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Subject to the conditions above, that in no circumstances will a holder who exchanges units in one sub-fund for units in any other sub fund be given a right by law to withdraw or cancel from or cancel that transaction.

Allocation of costs: Any costs, charges or expenses to be paid out of the APOLLO ASSET MANAGEMENT unit trust funds, are not attributable to one sub-fund only, the umbrella scheme shall allocate such assets, costs, charges or expenses between and among the sub-funds in a manner which is fair to the holders of the umbrella scheme generally.

The following fees shall apply:

From Money Market Fund to and from Balanced Fund

4.5% of fund minimum 500/=

From Money Market Fund to Equity Fund

4.5% of fund minimum 500/=

APOLLO ASSET MANAGEMENT equity Fund and APOLLO ASSET MANAGEMENT Balanced Fund

Just as in the Money Market Fund, new Unit-holders will be required to pay an account opening fee of Kshs 1,000/= for processing the application and allocation of an Account number. All transactions for the investor shall be posted to this account.

Sales charge

The sales charge will be a maximum of 5% of Units purchased.

22. SALE AND REDEMPTION OF UNITS

Dealing days shall be on each business day during normal working hours up to 3.00pm.

- **Redemption of units**

A unit holder may redeem or request redemption of part or their entire units the units shall be redeemed on a first in first out basis. Such a unit holder shall be entitled at any time, by valid notice received by the Fund Manager, repurchase all or any of such units, and the Fund Manager shall repurchase such units subject to the provisions of this Memorandum. Notice for redemption should be provided before 3.00 pm on a business day to be eligible for that day's value date and if received after this time will be deemed to be notice received before 3.00 pm the following day.

The minimum value of units that may be redeemed at any one time, shall be Ksh.1,000.00. Units shall be redeemed on a first in first out basis.

The Fund Manager may deduct from the price so payable for each unit redeemed an amount not exceeding the equivalent of any necessary charges which would be payable in connection with the sale of that part of the underlying securities represented by such units. The custodian shall within two working days of the instructions given by The Fund Manager pay the re-purchase price of the unit to the unit-holder.

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- **Steps for redemption of units**

Notice can be provided through writing, email or fax providing full identity particulars of the unit holder, to the Fund Manager. Third party transfers will only be conducted on a case-by-case basis.

No notice requiring the Fund manager to repurchase units shall be valid unless the unit holder shall have delivered to the Fund Manager the evidence of his title to the units to be sold as the Fund Manager shall deem sufficient together with in each case a copy of the instruction duly completed by the unit holder in respect of such units.

If the repurchase price is not paid to the unit holder on delivery of the said documents to the Fund Manager, the unit holder shall be issued with a receipt for such documents.

Upon payment being made by the Fund Manager, in the case of a full redemption the unit holder shall cease to be the unit holder of the units purchased by the Fund Manager and an entry to this effect shall be made in the register.

The fund manager will transfer the monies requested to the unit holder's bank account but have no control over how these respective banks process their transactions.

The unit holder confirms that funds requested have been credited to their bank account. The fund manager will not be held responsible for any bank charges incurred by the unit holder for returned cheques, if onward payments were made assuming their bank account was credited. It is the responsibility of the current account holders to make sure that funds are available to cover cheques issued.

- **Suspension of Redemption of units**

Redemption may be suspended during any period when disposal of underlying assets by The Fund Manager is not reasonably practical or in the interest of unit holders.

The Fund Manager shall immediately notify the Trustee and unit holders if dealing has been cancelled or suspended and the fact following such cancellation shall be published immediately following such decision and at least once every week during the period of suspension, in the newspaper in which the scheme's prices are normally published. The Authority of the Funds will also be notified as and when this occurs.

- **Dilution Levy**

The fund manager shall have the power to require either or both of:

- The payment of a dilution levy in respect of the issue or sale of units
- The deduction of a dilution levy in respect of the redemption or the cancellation of units

Any payment or deduction provided above shall become due the same time as payment becomes due in respect of the relevant issue, sale, redemption or cancellation.

A dilution levy may be imposed only in a manner that is, so far as practicable, fair to all holders and potential holders and the maximum rate of up to 10% of the redeemed or cancelled units will be charged.

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- **Cancellation of units**

The Fund Manager may in consultation with the trustee cancel units if they are of the opinion that due to exceptional circumstances the cancellation is in the interest of the shareholders.

The Fund Manager shall instruct the Trustee to cancel units and shall state in relation to each type of units to be cancelled, the number to be cancelled, expressed as a combination of the number and value of the units to be cancelled. This will be done provided that there is no outstanding obligation to issue units.

The Trustee shall cancel the units on receipt of instructions given by the Fund Manager.

The Fund Manager shall within six (6) business days following the receipt of the request to redeem effect payment of the appropriate proceeds of redemption to the unit-holder. The Custodian or Trustee shall, within two (2) business days of the instructions given by the Fund Manager pay the re-purchase price of the units.

On cancellation of units, evidence of the title to those units will be given to the custodian or Trustee.

A mandatory redemption, cancellation, or conversion of units from one class to another will be required if a fund: ceases to exist, is wound-up.

23. VALUATION OF THE FUND PORTFOLIO

The value of the fund to be used in determining the selling price quoted by The Fund manager and the price payable by The Fund manager to the trustee on the creation of additional units shall be the net asset value at the end of the Business day immediately preceding the business day on which the written request to buy and create units is received by The Fund manager and the trustee respectively.

The value of the fund to be used in determining the repurchase price quoted by The Fund manager and the price payable by a trustee of the Unit Trust on the redemption of units shall be the net asset value at the end of the business day on which the written request to repurchase and redeem is received by The Fund manager and the trustee respectively.

The repurchase price quoted shall be the net asset value of the APOLLO ASSET MANAGEMENT Unit Trust however computed.

The formula to be adopted to determine the value of the fund per unit is:

Value of the assets of the fund – liabilities,
Number of units issued and fully paid.

The Fund manager will calculate this at the end of each business day and on a weighted average basis.

Value of the asset of the fund includes:

- Aggregate market value of the underlying securities in the unit portfolio at a valuation point.

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- Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units.
- Amount of the compulsory charges payable on the respect of the acquisition of all the underlying securities comprising the unit portfolio.

Liabilities shall include:

- Accrued fees.
- Expenses.
- Those income accruals and payments in lieu of income accruals, set aside at the last preceding ex-dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex-dividend date:
- Those income accruals and payments in lieu of income accruals, as in the opinion of The Fund manager represents a fair proportion, at the said date, of the management fee and other amounts and charges for the relevant accounting period;

24. PRICING

- **Publication of Prices**

The price of units will be published daily in The Standard, and the Daily Nation newspapers.

- **Future Pricing**

The Fund Manager will use the future pricing method, which will be established each close of business and then applied to transactions, which occurred on the same day. All sales, repurchases, liquidations and creation of units which happen during the day can only be processed after a price has been determined.

Investors only know the value of their transaction the day after it occurred. The price reflected in the newspapers and on the website daily is therefore the previous day's close price.

25. MINIMUM LIMITS

The limit on the number or value of units that a person may hold or the number of units that can be offered for repurchase is 12.5 % pursuant to the income tax (Collective Investment Schemes) rules. The minimum value of units to be purchased is the price of a single unit subject to the minimum investment lump sum specified by the Fund Manager.

26. WINDING UP OF APOLLO ASSET MANAGEMENT UNIT TRUST

Circumstances under which the Fund may be wound up:-

APOLLO ASSET MANAGEMENT Unit Trust shall not be wound up otherwise than by a court order except under these provisions and the Capital Markets Act.

Unless and until effect may be given in accordance with the provisions relating to winding up given in cap 486 the Companies Act, to a proposal to wind up the affairs of a company otherwise than by the court, and provided that the Authority shall have first exercised its powers to intervene in the management of

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APOLLO ASSET MANAGEMENT Unit Trust before an application is made to court for winding up of APOLLO ASSET MANAGEMENT Unit Trust

- (a) unless a statement has been prepared and sent or delivered to the Authority in accordance with the procedures for winding up detailed below and received by the Authority prior to satisfaction of the condition in paragraph (a) above;
- (b) Subject to Clause (a) and the subsequent, APOLLO ASSET MANAGEMENT Unit Trust shall be wound up if an extraordinary resolution to that effect has been passed; or when the period (if any) fixed for duration of APOLLO ASSET MANAGEMENT Unit Trust by its incorporation documents, expires or the event occurs, on the occurrence of which its instrument of incorporation provides that APOLLO ASSET MANAGEMENT Unit Trust is to be wound up;

Summary of the rights and procedure to the Fund under such a winding up include:

- The Trustee will ascertain whether the scheme will be able to meet all its liabilities, by carrying out a full enquiry into the Fund's affairs.
- The Fund Manager shall prepare a statement that shall relate to the Fund affairs at the date, which must not be more than twenty one (21) days prior to the date on which notice is given to the Trustee and unit holders. This statement must be approved by the Trustee and must contain a statement signed by the auditor to the effect that it has been properly made, and is fairly reflected by the confirmation.
- In the statement The Fund Manager will confirm whether the fund will be able to meet all its liabilities within twelve (12) months of the date of the statement or state that such confirmation cannot be given.
- The Fund Manager will be personally liable for any liability of the Fund wound up that was not discharged prior to the completion of the winding up.

Summary of the rights and procedure to the unit holders under such a winding up include:

- The Fund Manager will give written notice of the commencement of the winding up to the unit holders.
- The Fund Manager shall give instructions to the custodian as to how such proceeds (until utilized to meet liabilities or make distributions to unit holders) shall be held

and such instructions shall be with a view for the prudent protection of the creditors and unit holders against loss.

- After making the adequate provision for the expenses of the winding up, and discharge of the liabilities of the Fund, The Fund Manager may arrange to make one or more interim distributions out of such funds to the unit holders proportionately. A

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final distribution shall be made on or prior to the date on which the final account ² is sent to the unit holders.

- Within three months of the end of the final accounting period³, the Fund Manager shall send a copy of the final account and the auditor's report on it to the Trustee, custodian and to each person who was a unit-holder (or the first named joint unit holders) immediately before the final accounting period.
- While the Fund is being wound up, the annual and half-yearly accounting period shall continue to run but the Fund Manager need not send to each unit holder a copy of any of these reports, if the Trustee, after consulting the Authority, are satisfied that the interest of the unit holders are not compromised. However, a copy of the report shall be dispatched free of charge on request by the unit holder.

Consequences and commencement of winding up:

The effective time of winding up means the time at which clause 51(a) has been satisfied, and the time at which the unit trust scheme shall be wound up:-

Immediately following the effective time –

- Regulations pertaining to pricing, dealing, investment and borrowing powers shall cease to apply to the Unit trust scheme
- The unit trust scheme shall cease to issue and cancel units;
- The Fund Manager shall cease to sell or redeem units or to arrange for the unit trust scheme to issue or cancel them;
- No transfer of a unit shall be registered and no other change to register of unit holders shall be made without the sanction of the Trustee, as the case may be; and

The unit trust scheme shall cease to carry on its business, except so far as may be required for its beneficial winding up; however the corporate state and corporate powers of the scheme and (subject to the preceding provisions of the Act) the powers of the Trustee shall continue until the unit trust scheme is dissolved.

The Fund Manager shall as soon as practicable after the effective time:

- Publish in not less than two daily newspapers of national circulation published in the English language management's decision to wind up the unit trust scheme and the date of commencement of the winding up; and
- If the Fund Manager has not previously notified the unit holders of the proposal to wind up, give written notice of the commencement of the winding up to the unit holders.

² Final account: it is an account prepared by the Fund Manager showing how the winding up has been conducted and how the collective scheme portfolio has been disposed of. It must be approved by the Trustee, and the auditor.

³ The final accounting period is the date stated on the final account on which the collective investment scheme affairs are fully wound up

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General Information

- **Fund Reports**

Annual reports will be published and submitted by the 31st of March each year for the Fund by the Fund Manager.

The unit trust scheme shall have an annual accounting period ending the last day of December in each year; but the Fund Manager shall publish and submit to the Authority an un-audited interim report for the half-year period ending on the last day of June in each year.

Submission to the authority of unaudited / management accounts will be submitted no later than one month after given cut off date, i.e. December = January and June = July.

- **Statements**

A statement will act as evidence of entitlement for the unit holder.

All account holders will receive a monthly statement by email.

Clients may request for their statements to be sent via post at their expense.

Statement Details:

These statements will reflect:

- Unit trust account market value as of that specific date;
- All transaction details that occurred in that month;
- Description of fees that were charged against the account during the month; and
- Distribution amount (for clients who reinvest their units only).

The unit holder also has the option of requesting our Client Services Department for a transaction history by simply specifying the period.

Please note:

All ad hoc statements will generate a standard charge of Kshs. 100.00

Statements can also be viewed online upon a client's registration for this value added service at no cost.

- **Umbrella Collective Investment Scheme**

A unit holder is entitled to exchange units in one sub-fund for units in any other sub-fund.

An exchange of the units in one sub-fund for units in any other sub-fund is treated as a redemption and a sale and will be subject to taxation on capital gains or withholding tax as the case may be subject to the conditions above, that in no circumstances will a holder who exchanges units in one sub-fund in any fund be given a right by law to withdraw or cancel from or that transaction.

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Allocation of costs: Any costs, charges or expenses to be paid out of the APOLLO ASSET MANAGEMENT Unit Trust Funds, are not attributable to one sub-fund only, the umbrella scheme shall allocate such assets, costs, charges or expenses between and among the sub-funds in a manner which is fair to the holders of the umbrella scheme generally.

27. ADDITIONAL INFORMATION

- There are no guarantees on the client's capital as the performance of units and interest-bearing investments in the underlying unit trust determines the value of a unit holder's investment in the fund.
- The yield of units can go down as well as up as a result of changes in the value of the underlying investments.
- Past performance should not be used as a guide to future investment performance.
- The scheme particulars include full details about the scheme, including the fees and charges. Commission may be paid and will be paid out of fees already charged to the fund.
- The units are priced daily and deals on a future pricing basis.
- The investment may be held in any number of funds, combinations or proportions subject to the fund minimums. These unit trusts have been selected to suit different investment needs and they can be combined to build a diversified portfolio.
- Every collective investment scheme shall have an annual accounting period ending the last day of December in each year; but the Fund Managers shall publish and submit to the Authority an un-audited interim report for the half-year period ending on the last day of June in each year.

Advertisements shall include a warning statement that:

- The performance shown represents past performance and is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than their original cost. The listed returns and yields on the Fund are net of expenses.
- Investors are reminded that in certain specified circumstances their right to redeem their units may be suspended.

28. SETTLEMENT OF DISPUTES

Any dispute or difference which may arise between the Unit Holders, Fund Manager, Trustee or the Custodian and the others Shall be referred to the decision of a single arbitrator to be agreed upon between the parties or in default of agreement within fourteen days (14) to be appointed at the request of any of the parties by the chairman-institute of Chartered Arbitrators-Nairobi Branch in accordance with the provisions of the Arbitration Act No.4 OF 1995.

- **DOCUMENTS AVAILABILITY FOR INSPECTION**

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The following documents will be available at the Fund Manager's offices:

- a. All incorporation documents
- b. The Register of Fund holders
- c. The Fund annual and periodic reports

APOLLO ASSET MANAGEMENT COMPANY LIMITED

P.O. Box 30389- 00100, Ring Road Parklands, Westlands, Nairobi, Kenya

Phone: (+254 020) 3641000, Website: <http://www.apolloassetmanagement.co.ke>

Offices are open normal working hours on weekdays (Saturdays, Sundays and public holidays excluded)

29. PROPOSED FUNDS

An investment in the Fund is not a deposit of any bank or other insured depository institution. An investment in the Fund is not insured or guaranteed by the Deposit Protection Fund or any other government agency.

An investment in the Fund may not be appropriate for all investors. The Fund is not intended to be a complete investment program, and investors should consider their long-term investment goals and financial needs when making an investment decision about the Fund. Investors should consider their investment objectives to see if they are compatible with the funds' objective. Investors should also read about the risks involved in investing in unit trusts before investing.

An investment in the Fund is intended to be a medium to long-term investment, and it is not advisable to use the Fund as a trading vehicle.

APOLLO ASSET MANAGEMENT Unit Trust shall be an umbrella scheme with various sub-funds, which investors may choose from depending on their goals and risk tolerance. The sub-funds of the Fund shall be designed to achieve such goals as Capital appreciation, Income, Price stability and Balancing of income and growth.

Sub-funds under this scheme shall consist of the following:

- APOLLO ASSET MANAGEMENT Money Market Fund
- APOLLO ASSET MANAGEMENT Equity Fund
- APOLLO ASSET MANAGEMENT Balanced Fund
- APOLLO ASSET MANAGEMENT Fixed Income Fund

The Trustee of the scheme may change any of the above categories of funds if for twenty four (24) consecutive months at any time after the first issue of any units of the Fund, units in respect of less than two sub- funds are in issue.

30. APOLLO ASSET MANAGEMENT EQUITY FUND

Objectives, policy and principles

The primary objective of the APOLLO ASSET MANAGEMENT Equity Fund is to achieve long-term capital appreciation by investing in a diversified portfolio of equity securities of East African companies. Income is the Fund's secondary objective.

Investors can obtain undivided participation in a diversified portfolio of securities. In order to achieve this object, The Fund Manager shall be entitled, subject to the provisions of this Information memorandum and of the Act, to create and issue an unlimited number of units in the APOLLO ASSET MANAGEMENT Equity Fund established in terms of the Information Memorandum.

In selecting securities for the APOLLO ASSET MANAGEMENT Equity fund, the Fund Manager shall seek to achieve an investment medium for unit holders, which shall have as its primary objectives as long term capital growth.

Investment Objective.

The objective of the APOLLO ASSET MANAGEMENT Equity fund is to generate long-term capital growth through investing principally in equities providing a medium to high risk profile by Investing in stocks of several sectors of the economy.

Investment Principles

The guiding principles for the APOLLO ASSET MANAGEMENT Equity fund are:

- To select a well diversified portfolio of reputable company shares
- To take capital profits when appropriate
- Administer the portfolio according to best practice.
- Ensure that investors have well-researched and risk-tested portfolios.

The APOLLO ASSET MANAGEMENT Equity fund will not lend all or part of the unit trust scheme portfolio and shall not assume, guarantee, endorse, or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

The **APOLLO ASSET MANAGEMENT Equity Fund** will predominantly invest its assets in the Kenyan market and will be permitted to make investments in equity securities, to the maximum permitted by the Act, and any other securities, which may be included in a portfolio in terms of the Act and relevant legislation, which are consistent with the portfolio's investment policy.

The Fund Manager may from time to time invest in participatory interests or any other form of participation in portfolios of collective investment schemes or similar collective investment schemes, as the Act may allow from time to time. Where the aforementioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and the trustee and of sufficient standards.

Nothing contained in this information Memorandum shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and

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provisions and from retaining cash or placing cash on deposit in terms of this Information Memorandum.

The Trustee shall ensure that the investment policy set out herein the preceding clause is carried out.

Nothing in this information memorandum shall preclude the fund manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the Information Memorandum; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.

Authorized Investments

The fund may invest in the following investment categories:

Type of Investment	Limit
Cash and near cash deposits	up to 10%
Securities listed on the a securities exchange in Kenya	up to 80 %
Securities issued by the government of Kenya	up to 80 %
Other collective investment schemes including umbrella schemes	25 %
Offshore investments	up to 10%
Any other securities not listed at The Nairobi Securities Exchange in Kenya	25%

These investment categories shall be made provided that:

- No limits shall apply to investment of the APOLLO ASSET MANAGEMENT Equity Fund in an interest bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;

The book value of the investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the APOLLO ASSET MANAGEMENT Equity Fund and net asset value;

- Book value of the APOLLO ASSET MANAGEMENT Equity Fund's holding of securities relating to any single issuer shall not exceed twelve and a half per cent of the Unit trust scheme's properties net asset value; and
- Any Unit trust scheme established for the investment of retirement benefits schemes shall comply with the investment guidelines prescribed under the Retirement Benefits Act;

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The limits and restrictions in this Part shall be complied with at all times based on the most up-to-date value of the APOLLO ASSET MANAGEMENT Equity fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the unit trust scheme.

Valuation of the fund

The valuation of securities will be done daily at the close of the working day.

The value of the fund to be used in determining the buying / selling price quoted by The Fund Manager on the creation / cancellation of units shall be the net asset value at the end of the working day on which the written request to buy / create and sell /cancel units is received by the Fund manager and the trustee respectively.

The re-purchase price quoted shall be the net asset value of the fund however computed.

The formula to be adopted to determine the value of the fund per share is:

Value of the assets of the fund – liabilities **Number of units issued and fully paid**

The fund manager will calculate this at the end of each working day and on a weighted average basis.

The Value of the asset of the fund includes:

- o Aggregate market value of the underlying securities in the unit portfolio at a valuation point.
- o Aggregate of all income accruals and payments received in lieu of income accruals from the creation of new units.
- o Amount of the compulsory charges payable on the respect of the acquisition of all the underlying securities comprising the unit portfolio.
- o Initial charge payable in respect of all the units in issue.

Liabilities shall include:

- o Accrued fees.
- o Expenses.
- o Those income accruals and payments in lieu of income accruals, set aside at the last preceding ex dividend date for distribution, but not yet distributed, in respect of the accounting period which ended on the day prior to the last ex dividend date. Those income accruals and payments in lieu of income accruals, as in the opinion of the Fund Manager represents a fair proportion, at the said date, of the service charge and other amounts and charges for the relevant accounting period;

The fund manager shall have authority to make additional valuations at its discretion in which case, it shall give advance notice of its intention to do so to the trustee.

Pricing of Units

The price of a single unit may vary on a daily basis.

Notwithstanding the provisions of the Trust Deed and this information memorandum, the fund manager, if it considers that volatile market conditions exist, may decide to temporarily vary

APOLLO ASSET MANAGEMENT COMPANY

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the price in order to reflect such market conditions. Transactions can only be processed after a price has been determined. The fund manager will be using 'value date' processing. This is processing today for yesterday's value date.

Distribution of Interest and Dividends

Dividends are income received from companies whose shares are held within the portfolio. Interest is received from liquid assets in the portfolio such as treasury bills, bonds and fixed deposits.

Distribution Frequency

Distributions will be made semi-annually i.e. 1st January and 1st July of each year for the APOLLO ASSET MANAGEMENT Equity Fund

Financial Year

The financial year will end on the 31st December of each year. The year will be divided into two accounting periods, ending on 30th June, and 31st December.

Distribution dates for income shall be no longer than one calendar month from the due date.

An allocation of income whether annual or interim will be made in respect of each unit issued or sold during the accounting period in respect of which that income allocation made will include a capital sum referred to as 'income equalization.' Income equalization-allocation of income whether annual or interim to be made in respect of each security issued or sold during the accounting period in respect of which that income allocation is made shall include a capital sum.

How Distributable Income Is Determined

The calculation of the distributable income shall:

- Take the aggregate of the income of the portfolio received or receivable for the account of the APOLLO ASSET MANAGEMENT Equity Fund in respect of the period.
- Deduct charges and expenses paid or payable out of the income of the portfolio in respect of the period.
- Add the Fund Manager's best estimate of any relief from tax on such charges and expenses.
- Make appropriate adjustments in relation to:
 - Taxation
 - Proportion of the price received or paid for units that are related to income
 - Potential income which is unlikely to be received until twelve months after the income allocation date
 - Income, which should not be accounted for on an accrual basis.
 - Any transfer between income and capital account
 - Consultation with the auditors

The amount of income allocated to accumulation units shall with effect from the end of the annual accounting period, become part of the capital of the investment scheme portfolio. The interests of the unit holders in the amount shall be satisfied by an adjustment as at the end of the period in the proportion of the value of the Unit trust scheme portfolio to which the price of a unit of the relevant class is related. This adjustment will ensure that the price of an accumulation unit remains unchanged notwithstanding the transfer of income to the capital of the investment scheme portfolio.

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Distribution Policy

Details of the distribution arising from interest and dividends will be shown semi-annually on monthly statements to unit holders.

All income arising from receipts of securities held will be distributed to unit holders after provision for expenses as detailed above.

All distributions including unclaimed distributions will be reinvested in the unit holder's account.

Allocation of Income

At the end of each accounting period, the trustee or the Fund manager, as the case may be, shall arrange for the custodian to transfer the income of the APOLLO ASSET MANAGEMENT Equity fund to an account to be known as 'the distribution account'.

Any income that is not transferred to the distribution account must be carried forward to the next accounting period and will be regarded as received at the start of the next period.

APOLLO ASSET MANAGEMENT Equity Fund shall be subject to all the provisions of the Information Memorandum as amended by the preceding clauses of the Supplemental Information Memorandum, as amended from time to time.

Charges

Fund Management Charge:

The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of 10% payable out of the income of the APOLLO ASSET MANAGEMENT Equity Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.

The Management Fee (up to 10% of the value of Scheme portfolio) by the Fund Manager shall be payable to the Fund Manager and shall be an annual fee and the same shall be disclosed in the financial reports of the collective investment scheme. Any intention to propose an increase in the maximum amount shall be notified to shareholders at a meeting of holders.

Sales charge:

This is an initial fee payable when purchasing units. Standard fee equals to 5% of the amount being invested.

Transfer Fee:

This is a fee payable upon request to switch from one fund to another.

Switching between Funds	
From Money Market Fund to Balanced Fund	500/= plus sales charge differential
From Money Market Fund to Equity Fund	500/= plus sales charge differential
Balanced Fund to Equity Fund or Equity Fund to Balanced Fund	500/=

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Fund Reports

Unit holders should expect to receive a monthly fund report for the APOLLO ASSET MANAGEMENT Equity Fund.

This report will review the investment activity and performance of the investment portfolio and any changes comprising the fund's portfolio for the month.

A quarterly report will be released on the website and it is aimed at presenting the performance of the APOLLO ASSET MANAGEMENT Equity Fund and to explain the management of the portfolio for the period covered by the report.

The APOLLO ASSET MANAGEMENT website will have copies of the most recent Fund Reports and investors will be able to view past reports as well.

FOR KENYA COMMERCIAL BANK LTD.
CREDIT & FINANCIAL SERVICES

APOLLO ASSET MANAGEMENT COMPANY

UNIT TRUST Information Memorandum

SIGNED AT NAIROBI ON THIS 30 DAY OF NOV 2015

For and on behalf of APOLLO ASSET MANAGEMENT Company Limited

AS WITNESSES:

1. [Signature]

2. [Signature]

For: APOLLO ASSET MANAGEMENT COMPANY LIMITED

SIGNED AT NAIROBI ON 19/11/2015

SIGNED BY: ROY AKALAH
AUTHORIZED ATTORNEY OF THE TRUSTEE,
KENYA COMMERCIAL BANK LIMITED,

) ROY AKALAH

IN THE PRESENCE OF:

For: KENYA COMMERCIAL BANK LTD.

[Signature]
DIRECTOR OPERATIONS

DENNIS W. MUHINDI
ADVOCATE
P.O. Box 73180 - 00200
NAIROBI

31. MONEY MARKET FUND

Investment Objective

The objective of the APOLLO ASSET MANAGEMENT Money Market Fund is to obtain a reasonable level of return while preserving the capital and liquidity. Fund is to generate total return through investing in high quality money market instruments with a maturity profile to ensure liquidity and capacity reservation at all times.

Principal investments of the fund shall be treasury Bills, Treasury Bonds, Secure Commercial Papers, High quality Corporate Bonds and High Quality fixed and call deposits in Kenyan markets and offshore, while offering maximum security to the investor.

Investment Principles

The guiding principles for the APOLLO ASSET MANAGEMENT Money Market Fund are:

- To invest only in money market instruments spread between institutions of repute.
- To manage the portfolio according to best practice.
- To administer the portfolio according to best practice by treating the generation of income as a higher priority than capital growth or as the case may be to place equal emphasis on the generation of income and on capital growth and that (in either case) this may accordingly constrain capital growth;
- To minimize losses, while maximizing on investment returns, by investing in near cash or cash deposits;
- To disclose investments on a weighted average basis

The **APOLLO ASSET MANAGEMENT Money Market fund will** predominantly invest its assets in the Kenyan money markets at all times and will be permitted to make investments in a mix of Money Market securities, to the maximum permitted by the Act, and any other securities, which may be included in a portfolio in terms of the Act and relevant legislation, which are consistent with the portfolio's investment policy.

The manager may from time to time invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment Schemes, that predominantly invest in money market securities, as the Act may allow from time to time. Where the aforementioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and the trustee and of sufficient standards.

Nothing contained in this information memorandum shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this information memorandum.

The TRUSTEE shall ensure that the investment policy set out herein the preceding clause is carried out.

Nothing in this information memorandum shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing

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cash on deposit in terms of the Information memorandum; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.

Authorized investments

APOLLO ASSET MANAGEMENT money market fund may invest in the following:

Type of Investment	Limit
Cash and near cash deposits	up to 10 %
Securities listed At The Nairobi Securities exchange in Kenya	up to 80 %
Securities issued by the government of Kenya	up to 80 %
Other collective investment schemes including umbrella schemes	25 %
Offshore investments	up to 10%

These investment categories shall be made provided that:

- No limits shall apply to investment of the APOLLO ASSET MANAGEMENT Money Market fund in an interest bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
- The book value of an investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the APOLLO ASSET MANAGEMENT Money Market fund and net asset value;
- The book value of the APOLLO ASSET MANAGEMENT Money Market funds' holding of securities relating to any single issuer shall not exceed twenty five per cent of the unit trust scheme's properties net asset value; and
- The Fund Manager shall not apply any part of the APOLLO ASSET MANAGEMENT Money Market fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the trustee likely to involve the trustee in any liability contingent or otherwise.
- The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the APOLLO ASSET MANAGEMENT Money Market fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.
- Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the APOLLO ASSET MANAGEMENT Money Market fund.

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Pricing of units

The pricing of units will be according to the net asset value of the fund.

The Fund Manager will be using Future Pricing. This means that the daily yield is established each evening and applied to transactions, which occurred *during the same day*. Therefore, all buying and selling (which leads to the creation and the cancellation of units) which happen during the day can only be valued at the end of the day.

Investors only know the value of their transaction the day after it occurred. The yield reflected in the newspapers and on the website daily is therefore the previous day's nominal yield.

Transactions can only be processed after a yield has been determined.

The fund manager will be using 'same date' processing. This is processing today's transactions for today.

Notwithstanding the provisions of the Trust Deed, the Fund Manager, if it considers that volatile market conditions exist, may decide to temporarily vary the price in order to reflect such market conditions. The repurchase price quoted shall be the net asset value of the APOLLO ASSET MANAGEMENT Unit Trust however computed.

Please note:

Notice for redemption should be provided before 9.00 am on a business day to be eligible for that day's value date and if received after this time will be deemed to be notice received before 9.00 am the following day.

Distribution of Income:

A distribution for the APOLLO ASSET MANAGEMENT Money Market Fund consists of interest.

Interest is received from liquid assets in the portfolio such as treasury bills, bonds and fixed deposits.

Distribution Frequency

Distributions will be made **monthly** for the APOLLO ASSET MANAGEMENT Money Market Fund

Financial Year

The financial year will end on the 31st December of each year. The year will be divided into two accounting periods, ending on 30th June, and 31st December.

Distribution dates for income shall be no longer than one calendar month from the due date.

An allocation of income whether annual or interim will be made in respect of each unit issued or sold during the accounting period in respect of which that income allocation made will include a capital sum referred to as 'income equalization.'

Income equalization- allocation of income whether annual or interim to be made in respect of each security issued or sold during the accounting period in respect of which that income allocation is made shall include a capital sum.

Determination and distribution of income:

The calculation of the distributable income shall:

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- Take the aggregate of the income of the portfolio received or receivable for the account of the APOLLO ASSET MANAGEMENT Money Market Fund in respect of the period
- Deduct charges and expenses paid or payable out of the income of the portfolio in respect of the period.
- Add the Fund Manager's best estimate of any relief from tax on such charges and expenses.
- Make appropriate adjustments in relation to:
 - Taxation
 - Proportion of the price received or paid for units that are related to income
 - Potential income which is unlikely to be received until twelve months after the income allocation date
 - Income, which should not be accounted for on an accrual basis.
 - Any transfer between income and capital account

The amount of income allocated to accumulation units shall with effect from the end of the annual accounting period, become part of the capital of the investment scheme portfolio. The interests of the unit holders in the amount shall be satisfied by an adjustment as at the end of the period in the proportion of the value of the Unit trust scheme portfolio to which the price of a unit of the relevant class is related. This adjustment will ensure that the price of an accumulation unit remains unchanged notwithstanding the transfer of income to the capital of the investment scheme portfolio.

Distribution Policy

Details of the distribution arising from interest will be shown on monthly distribution statements to unit holders

All income arising from receipts of interest will be distributed to unit holders after provision for expenses as detailed above net of tax.

All distributions including unclaimed distributions will be reinvested in the unit holder's account.

Interest on the APOLLO ASSET MANAGEMENT Money Market Fund

As there is no fixed investment period in our fund, there is no guaranteed interest rate for any given period of investment.

Interest is accrued on a daily basis, and credited to the unit trust account monthly, ie 1st of every month.

The seven day rolling average yield can be found daily in the local newspapers or on the fund manager's website.

Allocation of Income

At the end of each accounting period, the Fund manager shall arrange for the custodian to transfer the income of the APOLLO ASSET MANAGEMENT Money Market fund to an account to be known as 'the distribution account'.

Any income that is not transferred to the distribution account must be carried forward to the next accounting period and will be regarded as received at the start of the next period

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APOLLO ASSET MANAGEMENT Money Market Fund shall be subject to all the provisions of the information memorandum as amended from time to time.

Charges

The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of up to 10%) payable out of the income of the APOLLO ASSET MANAGEMENT Money Market Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.

The Management Fee (up to 10% of the value of Scheme portfolio) by the Fund Manager shall be payable to the Fund Manager and shall be an annual fee and the same shall be disclosed in the financial reports of the collective investment scheme. Any intention to propose an increase in the maximum amount shall be notified to shareholders at a meeting of holders.

The management fee applying in respect of the APOLLO ASSET MANAGEMENT Money Market fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average month-end market value of the total investments of the fund.

The Fund Manager may apply an initial charge in respect to the APOLLO ASSET MANAGEMENT Money Market fund. Where an initial charge is applied, it shall be set out in the updated information memorandum and shall not exceed 10% of the funds invested.

The Fund Manager may apply a redemption charge in respect to the APOLLO ASSET MANAGEMENT Money Market fund. Where a redemption charge is applied, it shall be set out in the updated information memorandum and shall not exceed 10% of the funds invested.

Any provisions in the information memorandum relating to APOLLO ASSET MANAGEMENT Money Market fund which is inconsistent with the Act shall be void.

Fund reports

Unit holders should expect to receive a monthly fund fact sheet report for the APOLLO ASSET MANAGEMENT Money Market Fund.

This report will review the investment activity and performance of the investment portfolio and any changes comprising the fund's portfolio for the month.

A quarterly report will be released on the website and it is aimed at presenting the performance of the APOLLO ASSET MANAGEMENT Money Market fund and to explain the management of the portfolio for the period covered by the report.

The APOLLO ASSET MANAGEMENT website will have copies of the most recent Fund Reports and investors will be able to view past reports as well.

APOLLO ASSET MANAGEMENT COMPANY

UNIT TRUST Information Memorandum

SIGNED AT NAIROBI ON THIS 30 DAY OF NOV 2015

For and on behalf of APOLLO ASSET MANAGEMENT COMPANY LIMITED

AS WITNESSES:

1. [Signature]

2. [Signature]

For: APOLLO ASSET MANAGEMENT COMPANY LIMITED

SIGNED AT NAIROBI ON 19/11/2015

SIGNED BY: ROY AKALAH
AUTHORIZED ATTORNEY OF THE TRUSTEE,
KENYA COMMERCIAL BANK LIMITED,

) ROY AKALAH

For: KENYA COMMERCIAL BANK LTD.
IN THE PRESENCE OF:

[Signature] 2766/NIAS/67/2014
DIRECTOR OPERATIONS

[Signature]
DENNIS W. MUHINDI
ADVOCATE
P. O. Box 73180 - 00200
NAIROBI

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32. APOLLO ASSET MANAGEMENT BALANCED FUND

Investment Objective

The objective of the fund is to seek long term stability and moderate capital growth, consistent with moderate investment risk and a reasonable level of income. Investments shall consist of a well –balanced portfolio comprising of shares of growth oriented companies, stocks that pay dividends consistently and secure high interest bearing investments. In order to achieve this object The Fund Manager shall be entitled, subject to the provisions of the information memorandum and of the Act, to create and issue an unlimited number of units in the APOLLO ASSET MANAGEMENT Balanced Fund established in terms of the information memorandum.

The APOLLO ASSET MANAGEMENT Balanced Fund aims to achieve steady regular income from the Money Market portion of the fund and capital growth in the medium to long term from the equity portion, while carrying only a medium level of risk.

The APOLLO ASSET MANAGEMENT Balanced Fund invests in equity and interest bearing assets, and the ratio of investments may vary at any one time depending on the manager's assessment of economic and market factors but will always invest at least 25% of the fund's total assets in interest bearing assets.

To the fullest extent possible, the securities to be included in the unit trust portfolio would normally include the full spectrum of listed securities, including ordinary shares, preference shares, debenture stock, debenture bonds, and units in trust schemes, loan stock, derivative instruments and liquid assets. Investments in securities listed on any recognized stock exchange outside Kenya will be included.

Authorized Investments

Nothing contained in this information memorandum shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this Supplemental information memorandum.

The Trustee shall ensure that the investment policy set out herein the preceding clause is carried out.

Nothing in this information memorandum shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the information memorandum; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.

Investment restrictions

The guiding principles for the APOLLO ASSET MANAGEMENT Balanced Fund shall be to:

- Invest in listed securities spread between institutions of repute.
- Have a solid spread of high performance shares.
- Invest in shares that fall into the medium risk category in the medium to long term.
- Invest in shares to have proven performance and good prospects for growth.

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- Take capital profits when appropriate.
- Manage the portfolio according to best practice.

The fund may be invested in the following categories:

Type of Investment	Limit
Cash and near cash deposits	up to 10 %
Securities listed on the Nairobi Securities exchange in Kenya	up to 80 %
Securities issued by the government of Kenya	up to 80 %
Offshore investments	up to 10%

These investment categories shall be made provided that:

- No limits shall apply to investment of the APOLLO ASSET MANAGEMENT Balanced Fund in an interest bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
- The book value of an investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the APOLLO ASSET MANAGEMENT Balanced Fund and net asset value;
- The book value of the APOLLO ASSET MANAGEMENT Balanced Fund's holding of securities relating to any single issuer shall not exceed twenty five per cent of the unit trust scheme's properties net asset value; and The Fund Manager shall not apply any part of the APOLLO ASSET MANAGEMENT Balanced Fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the Trustee likely to involve the Trustee in any liability contingent or otherwise.
- The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the APOLLO ASSET MANAGEMENT Balanced Fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.
- Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment activity and performance of the investment portfolio and any changes comprising the APOLLO ASSET MANAGEMENT Balanced Fund.

Pricing of units

The price of a single unit may vary on a daily basis.

Notwithstanding the provisions of the Trust Deed, the Fund Manager, if it considers that volatile market conditions exist, may decide to temporarily vary the price in order to reflect such market conditions. The repurchase price quoted shall be the net asset value of the APOLLO ASSET MANAGEMENT Unit Trust however computed.

Transactions can only be processed after a price has been determined.

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The fund manager will be using 'value date' processing. This is processing today for yesterday's value date.

Please note:

Notice for redemption should be provided before 3.00 pm on a business day to be eligible for that day's value date and if received after this time will be deemed to be notice received before 3.00 pm the following day.

Distribution dates:

Distributions shall take place on a Quarterly basis. Ie on 1st January, 1st April, 1st July and 1st October of every year

APOLLO ASSET MANAGEMENT Balanced Fund shall be subject to all the provisions of the information memorandum and the Supplemental information memorandum, as amended from time to time.

Charges:

The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of 10%) payable out of the income of the APOLLO ASSET MANAGEMENT Balanced Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.

The Management Fee (up to 10% of the value of Scheme portfolio) by the Fund Manager shall be payable to the Fund Manager and shall be an annual fee and the same shall be disclosed in the financial reports of the collective investment scheme. Any intention to propose an increase in the maximum amount shall be notified to shareholders at a meeting of holders

The Management fee applying in respect of the APOLLO ASSET MANAGEMENT Balanced Fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average month-end market value of the total investments of the fund.

Sales charge

The sales charge will depend on the type of Units purchased.

Switching between Funds	
From Money Market Fund to Balanced Fund	500/= plus sales charge differential
From Money Market Fund to Equity Fund	500/= plus sales charge differential
Balanced Fund to Equity Fund	500/=

Investors wishing to invest into the APOLLO ASSET MANAGEMENT Balanced Fund will be charged a preliminary charge of Kshs 1000 known as the 'registration fee.' This charge caters for all the compulsory costs incurred as a result of creating a price. This includes brokerage fees and stamp duty payable on the purchase of securities.

APOLLO ASSET MANAGEMENT COMPANY

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Fund reports

Unit holders should expect to receive a monthly fund fact sheet report for the APOLLO ASSET MANAGEMENT Balanced Fund.

This report will review the investment activity and performance of the investment portfolio and any changes comprising the fund's portfolio for the month.

A quarterly report will be released on the website and it is aimed at presenting the performance of the APOLLO ASSET MANAGEMENT Balanced Fund and to explain the management of the portfolio for the period covered by the report.

The APOLLO ASSET MANAGEMENT website will have copies of the most recent Fund Reports and investors will be able to view past reports as well.

APOLLO ASSET MANAGEMENT COMPANY

UNIT TRUST Information Memorandum

SIGNED AT NAIROBI.....ON THIS 30..... DAY OF NOV 2015

for and on behalf of APOLLO ASSET MANAGEMENT

AS WITNESSES:

1. [Signature]
2. Abubakar Shal

For: APOLLO ASSET MANAGEMENT COMPANY LIMITED

SIGNED AT NAIROBI.....ON 17/11/2015.....

SIGNED BY: ROY AKALAH
AUTHORIZED ATTORNEY OF THE TRUSTEE,
KENYA COMMERCIAL BANK LIMITED,

For: **KENYA COMMERCIAL BANK LTD.**
[Signature]
2766/NPAB/67/094
DIRECTOR OPERATIONS

IN THE PRESENCE OF:

[Signature]
DENNIS W. MUHINDI
ADVOCATE
P. O. Box 73180 - 00200
NAIROBI

APOLLO ASSET MANAGEMENT COMPANY

UNIT TRUST Information Memorandum

33. APOLLO ASSET MANAGEMENT FIXED INCOME FUND

Investment Objectives

The APOLLO ASSET MANAGEMENT Fixed Income Fund's primary investment objective is to seek medium-term stability and growth of capital consistent with moderate investment risk and a reasonable level of income in the Kenyan market and will be permitted to make investments in a mix of fixed income securities, to the maximum permitted by the Act and relevant legislation, which are consistent with the portfolio's investment policy.

The manager may from time to time invest in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar collective investment Schemes, that predominantly invest in money market securities, as the Act may allow from time to time. Where the aforementioned schemes are operated in territories other than Kenya, participatory interests or any other form of participation in portfolios of these schemes will be included in the portfolio only where the regulatory environment is to the satisfaction of the manager and the trustee and of sufficient standards.

Nothing contained in this information memorandum shall preclude the Fund Manager from varying the main objective to take account of changing economic factors, tax laws and provisions and from retaining cash or placing cash on deposit in terms of this information memorandum.

The TRUSTEE shall ensure that the investment policy set out herein the preceding clause is carried out.

Nothing in this information memorandum shall preclude the Fund Manager from varying the ratios of securities, to maximise capital growth and investment potential in a changing economic environment or market conditions or to meet the requirements, if applicable, of any exchange formally recognised in terms of legislation and from retaining cash or placing cash on deposit in terms of the Information memorandum; provided that the Fund Manager shall ensure that the aggregate value of the assets comprising the unit trust portfolio shall consist of securities and liquid asset investments of the aggregate value required from time to time by the Act.

Authorized Investments

Type of Investment	Limit
Cash and near cash deposits	up to 10 %
Securities listed At The Nairobi Securities exchange in Kenya	up to 80%
Securities issued by the government of Kenya	up to 80%
Other collective investment schemes including umbrella schemes(unless the investment is merely a conduit to access a portfolio of underlying securities which complies with the investment guidelines of this unit portfolio)	25 %
Offshore Investments	up to 10%

These investment categories shall be made provided that:

APOLLO ASSET MANAGEMENT COMPANY

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- No limits shall apply to investment of the APOLLO ASSET MANAGEMENT Fixed Income fund in an interest bearing account, product or financial instrument of or issued by a bank or financial institution as defined by the Banking Act; or and insurance company as defined in the Insurance Act;
- The book value of an investment in an interest bearing account, financial product or instrument of or issued by any single bank or financial institution or insurance company or a combination of any such investment in a single bank, financial institution or insurance company shall not in aggregate exceed 25% of the APOLLO ASSET MANAGEMENT Fixed Income fund and net asset value;
- The book value of the APOLLO ASSET MANAGEMENT Fixed Income funds' holding of securities relating to any single issuer shall not exceed twenty five per cent of the unit trust scheme's properties net asset value; and
- The Fund Manager shall not apply any part of the APOLLO ASSET MANAGEMENT Fixed Income fund in the acquisition of any investments which are for the time being, partly paid or otherwise in the opinion of the trustee likely to involve the trustee in any liability contingent or otherwise.
- The limits and restrictions in this part shall be complied with at all times based on the most up-to-date value of the APOLLO ASSET MANAGEMENT Fixed Income fund, but a five percent allowance in excess of any limit or restriction shall be permitted where the limit or restriction is breached through the appreciation in value of the scheme.
- Information on the investments will be given in monthly reports to the unit holders on the investments in the portfolio undertaken by the Fund Manager. These reports will review the investment performance of the investment portfolio and any changes comprising the APOLLO ASSET MANAGEMENT Fixed Income fund.

Pricing of units

The pricing of units will be according to the net asset value of the fund.

The Fund Manager will be using Future Pricing. This means that the daily yield is established each evening and applied to transactions, which occurred *during the same day*. Therefore, all buying and selling (which leads to the creation and the cancellation of units) which happen during the day can only be valued at the end of the day.

Investors only know the value of their transaction the day after it occurred. The yield reflected in the newspapers and on the website daily is therefore the previous day's nominal yield.

Transactions can only be processed after a yield has been determined.

The fund manager will be using 'same date' processing. This is processing today's transactions for today.

Notwithstanding the provisions of the Trust Deed, the Fund Manager, if it considers that volatile market conditions exist, may decide to temporarily vary the price in order to reflect such market conditions. The repurchase price quoted shall be the net asset value of the APOLLO ASSET MANAGEMENT Unit Trust however computed.

Please note:

Notice for redemption should be provided before 9.00 am on a business day to be eligible for that day's value date and if received after this time will be deemed to be notice received before 9.00 am the following day.

APOLLO ASSET MANAGEMENT COMPANY

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Distribution of Income:

A distribution for the APOLLO ASSET MANAGEMENT Fixed Income Fund consists of interest.

Interest is received from liquid assets in the portfolio which consists of interest bearing securities

Distribution Frequency

Distributions will be made **half yearly** for the APOLLO ASSET MANAGEMENT Fixed Income Fund. i.e 1st January and 1st July of every year.

Financial Year

The financial year will end on the 31st December of each year. The year will be divided into two accounting periods, ending on 30th June, and 31st December.

Distribution dates for income shall be no longer than one calendar month from the due date.

An allocation of income whether annual or interim will be made in respect of each unit issued or sold during the accounting period in respect of which that income allocation made will include a capital sum referred to as 'income equalization.'

Income equalization- allocation of income whether annual or interim to be made in respect of each security issued or sold during the accounting period in respect of which that income allocation is made shall include a capital sum.

Determination and distribution of income:

The calculation of the distributable income shall:

- Take the aggregate of the income of the portfolio received or receivable for the account of the APOLLO ASSET MANAGEMENT Fixed Income Fund in respect of the period
- Deduct charges and expenses paid or payable out of the income of the portfolio in respect of the period.
- Add the Fund Manager's best estimate of any relief from tax on such charges and expenses.
- Make appropriate adjustments in relation to:
 - Taxation
 - Proportion of the price received or paid for units that are related to income
 - Potential income which is unlikely to be received until twelve months after the income allocation date
 - Income, which should not be accounted for on an accrual basis.
 - Any transfer between income and capital account

The amount of income allocated to accumulation units shall with effect from the end of the annual accounting period, become part of the capital of the investment scheme portfolio. The interests of the unit holders in the amount shall be satisfied by an adjustment as at the end of the period in the proportion of the value of the Unit trust scheme portfolio to which the price of a unit of the relevant class is related. This adjustment will ensure that the price of

APOLLO ASSET MANAGEMENT COMPANY

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an accumulation unit remains unchanged notwithstanding the transfer of income to the capital of the investment scheme portfolio.

Distribution Policy

Details of the distribution arising from interest will be shown on monthly distribution statements to unit holders.

All income arising from receipts of interest will be distributed to unit holders after provision for expenses as detailed above net of tax.

All distributions including unclaimed distributions will be reinvested in the unit holder's account.

Interest on the APOLLO ASSET MANAGEMENT Fixed Income Fund

As there is no fixed investment period in our fund, there is no guaranteed interest rate for any given period of investment.

Interest is accrued on a daily basis, and credited to the unit trust account monthly.

The seven day rolling average yield can be found daily in the local newspapers or on the fund manager's website.

Allocation of Income

At the end of each accounting period, the Fund manager shall arrange for the custodian to transfer the income of the APOLLO ASSET MANAGEMENT Fixed Income fund to an account to be known as 'the distribution account.

Any income that is not transferred to the distribution account must be carried forward to the next accounting period and will be regarded as received at the start of the next period

APOLLO ASSET MANAGEMENT Fixed Income Fund shall be subject to all the provisions of the information memorandum as amended from time to time.

Charges

The Fund Manager shall make a periodic charge, known as the management fee (but not exceeding a maximum of up to 10%) payable out of the income of the APOLLO ASSET MANAGEMENT Fixed Income Fund and this shall be expressed as an annual percentage of the value of the portfolio scheme.

The Management Fee (up to 10% of the value of Scheme portfolio) by the Fund Manager shall be payable to the Fund Manager and shall be an annual fee and the same shall be disclosed in the financial reports of the collective investment scheme. Any intention to propose an increase in the maximum amount shall be notified to shareholders at a meeting of holders

The management fee applying in respect of the APOLLO ASSET MANAGEMENT Fixed Income fund shall be proportionate to the length of the relevant accounting period and shall be calculated at such percentage by the Fund Manager on the average month-end market value of the total investments of the fund.

The Fund Manager may apply an initial charge in respect to the APOLLO ASSET MANAGEMENT Fixed Income fund. Where an initial charge is applied, it shall be set out in the updated information memorandum and shall not exceed 5% of the funds invested.

APOLLO ASSET MANAGEMENT COMPANY

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The Fund Manager may apply a redemption charge in respect to the APOLLO ASSET MANAGEMENT Fixed Income fund. Where a redemption charge is applied, it shall be set out in the updated information memorandum and shall not exceed 5% of the funds invested.

Any provisions in the information memorandum relating to APOLLO ASSET MANAGEMENT Fixed Income fund which is inconsistent with the Act shall be void.

Fund reports

Unit holders should expect to receive a monthly fund fact sheet report for the APOLLO ASSET MANAGEMENT Fixed Income Fund.

This report will review the investment activity and performance of the investment portfolio and any changes comprising the fund's portfolio for the month.

A quarterly report will be released on the website and it is aimed at presenting the performance of the APOLLO ASSET MANAGEMENT Fixed Income fund and to explain the management of the portfolio for the period covered by the report.

The APOLLO ASSET MANAGEMENT website will have copies of the most recent Fund Reports and investors will be able to view past reports as well.

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UNIT TRUST Information Memorandum

SIGNED AT NAIROBI ON THIS 30 DAY OF NOV 2015

for and on behalf of APOLLO ASSET MANAGEMENT Asset Management Limited

AS WITNESSES:

1. [Signature]

2. [Signature]

For: APOLLO ASSET MANAGEMENT COMPANY LIMITED

SIGNED AT NAIROBI ON 19/11/2015

SIGNED BY: ROY AKALAH
AUTHORIZED ATTORNEY OF THE TRUSTEE,
KENYA COMMERCIAL BANK LIMITED,

[Signature]
2766/MPA8/69/5074

IN THE PRESENCE OF:
[Signature]
DENNIS W. MUHINDI
ADVOCATE
P.O. Box 73180 - 00200
NAIROBI

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